

Capital Acquisitions Tax Consolidation Act 2003

Sch. 2: Computation of Tax: Part 1 – Preliminary

This document should be read in conjunction with section 2 of, and Schedule 2 to, the Capital Acquisitions Tax Consolidation Act (CATCA) 2003.

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1 Introduction

Schedule 2, part 1, paragraph 1 CATCA 2003 provides that the “group threshold”, in relation to a taxable gift or a taxable inheritance taken on a particular day, is:

- (a) €400,000 where the beneficiary is, *inter alia*, a child of the disponer or the beneficiary is a parent of the disponer (the person providing the gift/inheritance) and the parent takes an absolute inheritance from a child;
- (b) €40,000 where the beneficiary is, *inter alia*, a brother, sister, nephew, niece or lineal ancestor or lineal descendant of the disponer;
- (c) €20,000 in any other case.

The 3 group thresholds are generally referred to as the Group A, Group B and Group C thresholds respectively. They apply to gifts and inheritances taken on or after 2 October 2024. For gifts and inheritances taken prior to 2 October 2024, the Group A threshold was €335,000, the Group B threshold was €32,500 and the Group C threshold was €16,250.

2 Child of a stepchild

Under section 2 CATCA 2003, a child includes a stepchild. Therefore, the Group A threshold applies to a stepchild and to a minor child of a deceased stepchild. If a child of a deceased stepchild is not a minor, the Group B threshold applies.

3 Donee or successor is a surviving spouse/civil partner of a closer relation of the disponer

Schedule 2, part 1, paragraph 6 CATCA 2003 provides that where, at the date of a gift or at the date of an inheritance, the donee or successor is the surviving spouse/civil partner of a deceased person who, at the time of his or her death, was of nearer relationship than such donee or successor to the disponer, that nearer relationship shall apply for the purpose of computing the tax on the gift or inheritance. In cases where the surviving spouse/civil partner has remarried prior to the date of the gift or inheritance, paragraph 6 is regarded as applying notwithstanding the remarriage.